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I.C.2.b. How does the ICS perform on development of requirements for and assessment of national intelligence collection and production?

Historically, DCI substantive and resource management guidance documents provided to the Community by the ICS for current operations and for planning and programming were not issued at such times as to maximize their utility, they did not address current-, mid-, and long-range guidance adequately, nor were they related to one another in a total systems context.

Efforts to refine and improve Community planning have culminated in the recent development of a more cohesive and comprehensive National Foreign Intelligence Community Guidance and Planning System. Included is a proposal to establish a DCI Committee to participate in the development, operation and maintenance of the system. The three major elements of the system, which focus on the current-, mid-, and long-range periods, are:

- o components of the current element include a substantive overview, a priorities and requirements framework, lists of requirements, Key Intelligence Questions and Goals and Objectives;

- o components of the mid-range element include Perspectives for Planning and Programming, an intelligence strategy and a projection of changes in priorities over the next five years; and

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o the long-range element will be a study which projects the world environment and identifies related intelligence implications out to a 20-year horizon.

The refined Community Planning System should be a more effective mechanism for the DCI in exercising his responsibility for the coordination and direction of Intelligence Community activities. It will outline the scope and dimensions of the nation's substantive intelligence needs, both topically and geographically. The system of documents will set the stage, from the DCI's perspective, for current and future intelligence operations and for program development.

The IC Staff also has the responsibility for continually assessing--in consultation with the NSC Staff--the requirements of major users of intelligence products, and the timeliness and quality of intelligence reporting.

Other mechanisms are available to the DCI with which to evaluate Community performance in the area of intelligence collection. For example, since late 1974, the DCI's Human Resources Committee has conducted the FOCUS Review Program--an interagency program to review reporting by human resources of the Community and of other US departments and agencies affiliated with US Missions abroad. The program is carried out on a continuing basis with the full participation of the Department of State. Similarly, evaluations of imagery, satellite and SIGINT systems' performance are regularly conducted by the responsible DCI Committee and ICS offices.

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Apart from these continuous evaluative activities, the IC Staff conducts ad hoc post-mortems of the Community's performance in international crises; and the DCI reports annually on the state of the Community and Perspectives on the future.

These mechanisms perform unquestionably vital functions in an area where, regrettably, too few objective yardsticks to evaluate performance yet exist. The problem thus remains one of addressing such long-standing systemic problems of intelligence as:

- determining better what users really need;
- developing (1) data bases to relate Community funds and manpower to intelligence products; (2) better measures of the utility of specific intelligence products; and (3) analyses which explicitly relate collection, processing, and production resources to intelligence products and user needs; and
- establishing the proper balance of the Community's production effort among data bases, current intelligence, and analysis.

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I.D.1. How well do NIOs work in their production roles on NIEs, Inter-agency Memoranda, alert functions?

The NIO concept, when vigorously adhered to by individual NIOs, provides an appropriate, valuable, and effective service in the intelligence processes of production, collection, and user/producer interface. Overall, the NIOs perform these functions well; however, there is unevenness. Some NIOs by virtue of their personalities, aggressiveness or areas of responsibility are more active and successful than others. The performance of the NIOs in supervising the production of NIEs, NIAMS, Interagency Memoranda and studies, and Alert Memoranda is generally improving. A major complaint about many of these products--particularly NIEs--has been that the estimates were not as relevant to consumers' needs as they could be, i.e., they did not address the important issues before national-level policymakers. The recent emphasis on involving the major users of estimative intelligence during the conceptual phase of organizing the estimate has met with success. The satisfaction of users with the estimative process and products has been higher with this increased interchange of views.

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I.D.2. How well do NIOs work in their extended roles in: liaison with producers and consumers, interface with the IC Staff, collection assessments and requirements?

Recognizing the same variety in individual success, the NIOs also perform well their responsibilities for user/producer liaison, and development of collection/production requirements. Because the NIOs require interagency input to their major estimative papers, the relationship between them and the producers is a close one. However, because interagency products, particularly the more complex and significant NIEs, are high-cost items in terms of manpower and time, tensions can arise between the managers of line production elements and the NIOs over their needs for substantive support. The NIOs continually strive to minimize the disruption to line organizations, with some but not total success. For the same reasons of cost, manpower, and time, the NIOs must insure that the final products are responsive to the critical needs of major consumers. The increased liaison with these users--who are diverse in their responsibility--has helped to make the process more efficient. The relationship between the NIOs and IC Staff is also a close one because of the intertwining responsibilities of the IC Staff to promulgate the KIQs, the NIOs to develop collection and production strategies, and the IC Staff to evaluate the Community's performance in

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answering these and other important questions. This relationship works well. The performance of the NIOs in developing substantive collection requirements is generally good, and the IC Staff has had no problems in getting input from the NIOs on assessments of various collection and production activities.

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I.D.3. How well do NIOs work: net judgments

Considering the requirements for issue-oriented national intelligence and the resultant need for increased information exchange between users and producers, the NIO concept is an appropriate and effective one. Because the size of the NIO Staff is very limited, however, it is difficult for any NIO to give full and proper attention to the various responsibilities of production supervision, user/producer liaison, IC Staff interface, and product evaluation. Consideration should be given to augmenting the NIO Staff so that: (1) more inter-agency product drafting can be done by the NIOs, thus reducing disruption to line organizations, (2) more time can be spent by the NIOs themselves in interfacing with consumers and producers, and (3) more time and thought can be given to the evaluation of various Community collection and production efforts. In addition, consideration should be given to creating a mechanism for a collegial review of major estimative products. A reviewing authority, composed of experienced specialists and generalists from both inside and outside of the Intelligence Community, would help insure that estimates are high quality products which focus upon the critical intelligence issues facing the national-level user.

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I. E. NSC

a. Did the NSC provide guidance and direction of national intelligence activities?

The DCI and the Intelligence Community have provided substantial intelligence support in the preparation of Presidential Review Memoranda for submission to the PRC, generally using the NIOs as the interface between the Community and the PRM study groups. This provides the Community with a focus on policy-relevant issues and with the opportunity to make inputs to policy issues which are directly relevant to NSC and Presidential interests. On most PRMs, however, the amount of intelligence support is controlled by the study chairman, since most of the PRMs issued to date have not directly tasked the Intelligence Community. Exceptions are PRM/NSC-2 (SALT), PRM/NSC-6 (MBFR Talks), PRM/NSC-10 (Military Force Posture), PRM/NSC-11 (Intelligence Structure and Mission), and PRM/NSC-16 (Nuclear Testing), in which intelligence elements were assigned specific tasks. In PRM/NSC-10, for example, the Intelligence Community is developing a new assessment of US and Soviet intelligence capabilities.

The PRC has also assumed the budget preparation and resource allocation functions given by E.O. 11905 to the former Committee on Foreign Intelligence. When meeting on intelligence matters, the PRC is chaired by the DCI and includes the Deputy Secretary of Defense, the Deputy Assistant to the

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President for National Security Affairs, and a senior representative of the Secretary of State; it then becomes the Policy Review Committee for Intelligence, or PRC(I). The Intelligence Community Staff acts as the PRC staff in these instances.

The PRC(I) provides a vital focal point for both program and budget activity throughout the annual fiscal cycle. It provides a mechanism for the DCI to deal directly with Community program managers without interfering with operational or command relationships. It also provides an additional element of control over Intelligence Community activities at the NSC level. Decisions of the Committee may be reviewed by the full NSC upon appeal by the DCI or any member of the NSC. Lacking this forum, the DCI would be relegated to the pre-E.O. 11905 situation, where he would be limited to bringing influence (but no authority) to bear on resource decisions which were essentially up to others to make.

The PRC(I) has also allowed for a more straightforward Community relationship with OMB. OMB, like most resource-managers, tends to conduct its activities along organizational lines, dealing with budget entities. The Intelligence Community is not a budget entity in any formal sense. It is a functional activity made up of several budget sub-entities. The OMB, as the President's executive agent for preparing the budget, needs to be able to deal with a single organizational element if it

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is to treat a function explicitly in the budget. The PRC(I) is filling that need. At the same time, it defines the DCI's role and responsibilities without having to adjust, in any formal way, the authority structure of those organizations that are hosts to national intelligence programs and activities.

The NSC Special Coordination Committee (SCC) deals with specific cross-cutting issues requiring coordination in the development of options and the implementation of Presidential decisions. The SCC is also tasked with oversight of sensitive intelligence activities, such as covert operations, which are undertaken on Presidential authority. In addition, it periodically reviews on-going sensitive collection programs, and approves specific sensitive operations resulting from previously approved programs. As indicated earlier, the DCI is spokesman for the Intelligence Community on the benefits to be derived from such programs, but the other members are the principal spokesmen on political and operational risks.

b. Did the NSC conduct substantive semi-annual reviews of policies?

Executive Order 11905 directs the NSC to conduct a semi-annual review of intelligence policies, on-going sensitive intelligence activities, the needs of users of intelligence, and the timeliness and quality of intelligence products. The PRC(I), SCC, and IC Staff are to provide written reports on their activities for each semi-annual review. Only one NSC review has been conducted to date, in December 1976. The IC

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Staff published an extensive analysis of Community strengths and weaknesses to support a December 1976 meeting for the NSC. The meeting ranged over many intelligence matters, but resulted in guidance on only a few specific issues.

c. Net Judgment

The exact role of the NSC in the review of intelligence policy and performance is yet to be spelled out.

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II.B.5.c.(2).(c). Should DIA have a role in establishing intelligence requirements?

PAID cannot provide a response to this question and believes that it would be more appropriately answered by OPBD's GDIP manager.

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21 April 1977

NOTE FOR: D/OPEI
Attn:

25X1A

FROM :

SUBJECT : PRM-11, Task 3

- o Attached are PAIDs contributions that were cited in your memo.
- o We have responded to 3 of the 5 questions. In the other two cases:

--II.A.3: We ran out of time since our staffer was pre-empted on another "crisis."

--II.B.5.c.(2)(c): This is more of an OPBD issue.

25X1A

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